

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02502A
Flagstaff Ranch Water Company, Inc
P. O. Box 10775
Phoenix, AZ 85064

RECEIVED
FEB 06 2007
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

2-7-07 RF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Flagstaff Ranch Water Co., Inc.</u>			
Mailing Address <u>P. O. Box 10775</u>			
<u>Phoenix</u>	<u>AZ</u>	<u>85064</u>	
(City)	(State)	(Zip)	
<u>602 954 0321</u>	<u>602 957 3159</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>P. O. Box 10775</u>			
<u>Phoenix,</u>	<u>AZ</u>	<u>85064</u>	
(City)	(State)	(Zip)	
<u>602 954 0321</u>	<u>602 957 3159</u>		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>Herbert Dreiseszun</u>			
(Name)		<u>Sec.</u>	
(Title)			
<u>same as above</u>	<u>same as above</u>	<u>same as above</u>	<u>same as above</u>
(Street)	(City)	(State)	(Zip)
<u>same as above</u>	<u>same as above</u>	<u>same as above</u>	<u>same as above</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>Patrick Vinson</u>			
(Name)			
<u>4888 East Half Moon</u>	<u>Flagstaff</u>	<u>AZ</u>	<u>86004</u>
(Street)	(City)	(State)	(Zip)
<u>928 853 2531</u>	<u>same</u>	<u>same</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Herbert Dreiseszun

(Name)

P. O. Box 10775

(Street)

Phoenix,

(City)

AZ

(State)

85064

(Zip)

602 954 0321

Telephone No. (Include Area Code)

602 957 3159

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: William Sullivan

(Name)

501 E. Thomas Rd.

(Street)

Phoenix,

(City)

AZ

(State)

85012

(Zip)

602 393 1700

Telephone No. (Include Area Code)

602 393 1703

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☒ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Flagstaff Ranch Water Co., Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	75102		
303	Land and Land Rights			
304	Structures and Improvements	80252		
307	Wells and Springs			
311	Pumping Equipment	69409		
320	Water Treatment Equipment Arsenic	138456		
330	Distribution Reservoirs and Standpipes	262809		
331	Transmission and Distribution Mains	430522		
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1046950	959066	87484

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Flagstaff Ranch Water Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	75102		
303	Land and Land Rights			
304	Structures and Improvements	80252		
307	Wells and Springs			
311	Pumping Equipment	69409		
320	Water Treatment Equipment Arsenic	138456		
330	Distribution Reservoirs and Standpipes	262809		
331	Transmission and Distribution Mains	430522		
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1046950	100%	148750

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME	Flagstaff Ranch Water Co., Inc.
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BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 72,284	\$ 54,633
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 72,284	\$ 54,633
	FIXED ASSETS		
101	Utility Plant in Service	\$ 838,130	\$ 1,046,550
103	Property Held for Future Use		
105	Construction Work in Progress	88,908	
108	Accumulated Depreciation – Utility Plant	810,316	959,066
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 116,722	\$ 87,484
	TOTAL ASSETS	\$ 189,006	\$ 142,117

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 917,172	\$ 917,172
211	Paid in Capital in Excess of Par Value	141,458	175,944
215	Retained Earnings	(855,090)	(869,626)
218	Proprietary Capital (Sole Props and Partnerships) LOSS	14,535	81,418
	TOTAL CAPITAL	\$ 189,006	\$ 142,117
	TOTAL LIABILITIES AND CAPITAL	\$ 180,006	\$ 142,117

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 97,557	\$ 105,700
460	Unmetered Water Revenue	15,279	15,386
474	Other Water Revenues		
	TOTAL REVENUES	\$ 112,836	\$ 121,086
	OPERATING EXPENSES		
601	Salaries and Wages?management fee	\$ 55,253	\$ 56,594
610	Purchased Water		
615	Purchased Power	11,686	15,826
618	Chemicals		
620	Repairs and Maintenance	13,993	25,110
621	Office Supplies and Expense	224	85
630	Outside Services		
635	Water Testing	3,513	1,773
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	4,806	4,853
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense Legal.professional	11,742	9,127
403	Depreciation Expense	51,868	148,750
408	Taxes Other Than Income		
408.11	Property Taxes	3,111	3,533
409	Income Tax	45	45
	TOTAL OPERATING EXPENSES	\$ 164,078	\$ 273,552
	OPERATING INCOME/(LOSS)	\$ (52,002)	\$ (152,466)
	OTHER INCOME/(EXPENSE)	37,275	
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	37,275	71,048
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 37,275	\$ 71,048
	NET INCOME/(LOSS)	\$ (14,535)	\$ (81,418)

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ - 0 -

Meter Deposits Refunded During the Test Year \$ - 0 -

COMPANY NAME	
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55 509021	60	75	1600	12		1984

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
none		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
none			

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
595,000	1	595,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	140
1	48
1 1/2	3
2	
Comp. 3	1
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Arsenic Treatment facility

STRUCTURES:

Arsenic treatment building

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Flagstaff Ranch Water Co., inc. **YEAR ENDING 12/31/2006**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 3,533

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

See Attached

If no property taxes paid, explain why. _____

FLAGSTAFF RANCH WATER CO INC

FLAGSTAFF RANCH WATER CO., INC. 5237916. 1729
P. O. BOX 10775, PHOENIX, AZ 85064
DATE 5/18/06
PAY TO THE ORDER OF Coconino County Treasurer \$ 1522.75
One thousand five hundred twenty-two and 75/100 DOLLARS
Northern Trust
FOR 936-90-100
#001729# C122105210C #1111034822# /0000152275#

5/03/06 1729 1,522.75

116-58-232, 223, 224. 1781
FLAGSTAFF RANCH WATER CO., INC.
P. O. BOX 10775, PHOENIX, AZ 85064
DATE 10/5/06
PAY TO THE ORDER OF Coconino County Treasurer \$ 26.64
Twenty-six and 64/100 DOLLARS
Northern Trust
FOR #001781# C122105210C #1111034822# /0000002664#

Paid Date: 11/10/06 #1781 \$26.64

FLAGSTAFF RANCH WATER CO., INC. 1782
P. O. BOX 10775, PHOENIX, AZ 85064
DATE 10/5/06
PAY TO THE ORDER OF Coconino County Treasurer \$ 1785.67
One thousand seven hundred eighty-five and 67/100 DOLLARS
Northern Trust
FOR 936-90-100
#001782# C122105210C #1111034822# /0000178567#

Paid Date: 11/10/06 #1782 \$1,785.67

116-58-221. 1783
FLAGSTAFF RANCH WATER CO., INC.
P. O. BOX 10775, PHOENIX, AZ 85064
DATE 10/5/06
PAY TO THE ORDER OF Coconino County Treasurer \$ 198.07
One hundred ninety-eight and 7/100 DOLLARS
Northern Trust
FOR 116-58-221
#001783# C122105210C #1111034822# /0000019807#

Paid Date: 11/10/06 #1783 \$198.07

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

FEB 06 2007

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>Coconino</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Herbert Dreiseszun, Sec.</u>
COMPANY NAME
<u>Flagstaff Ranch Water Co., Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

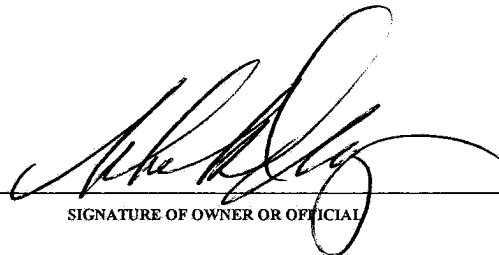
MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL

602 954 0321

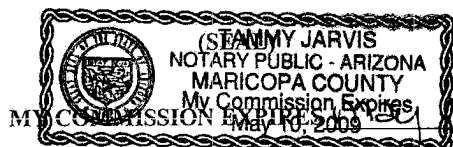
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 5th DAY OF

COUNTY NAME
<u>Maricopa</u>
MONTH <u>Feb.</u> .200 <u>7</u>




SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Flagstaff Ranch Water Co., Inc.

YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>-0-</u>
Estimated or Actual Federal Tax Liability	<u>-0-</u>

State Taxable Income Reported	<u>740</u>
Estimated or Actual State Tax Liability	<u>-0-</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>-0-</u>
Amount of Gross-Up Tax Collected	<u>-0-</u>
Total Grossed-Up Contributions/Advances	<u>-0-</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

2/5/07

DATE

Herbert Dreiseszun

PRINTED NAME

Sec.

TITLE

RECEIVED

FEB 06 2007

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Coconino</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Herbert Dreiseszun, Sec.</u>
COMPANY NAME
<u>Flagstaff Ranch Water Co., Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

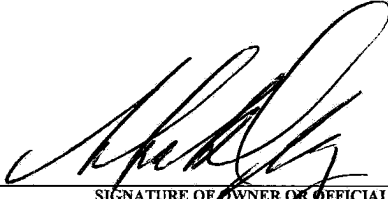
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 121,086+740

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 740
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

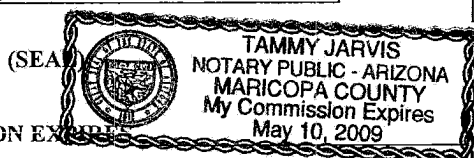

SIGNATURE OF OWNER OR OFFICIAL
602 954 0321
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME


A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 5th DAY OF

COUNTY NAME
<u>Maricopa</u>
MONTH <u>Feb</u> , 20 <u>07</u>



MY COMMISSION EXPIRES


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

FEB 06 2007

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Coconino	
NAME (OWNER OR OFFICIAL) Herbert Dreiseszun, Jr.	TITLE Sec.
COMPANY NAME Flagstaff Ranch Water Co., Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

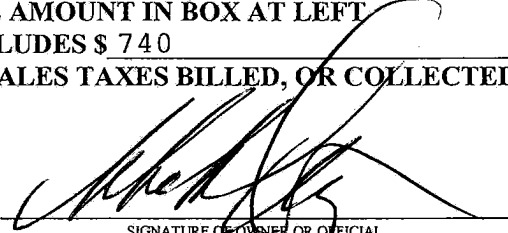
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 121,826

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 740
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

602 954 0321

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

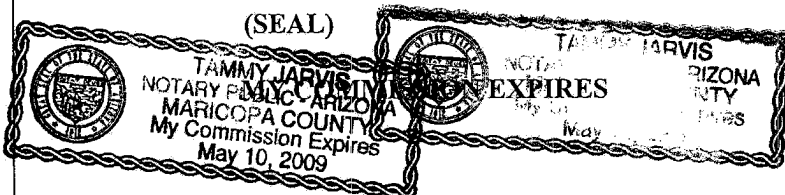
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

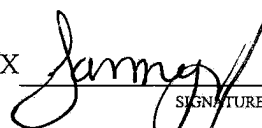
THIS

5th

DAY OF

NOTARY PUBLIC NAME Tammy Jarvis	
COUNTY NAME Maricopa	
MONTH Feb	2007



X 
SIGNATURE OF NOTARY PUBLIC